

WHEREUPON, on motion duly made and seconded, it was unanimously

RESOLVED, that a Schedule of Authorizations, substantially in the form attached hereto, is approved, effective August 1, 1995, and the President & CEO is authorized to make such further changes in such Schedule as she may from time to time deem appropriate insofar as authority not reserved to the Board is concerned; and

RESOLVED FURTHER, that any actions heretofore taken by Company personnel in accordance with the authorities granted by the Schedule of Authorizations approved in the preceding resolution are hereby ratified and approved in all respects.

F. Vice President for Taxes

Mr. Kiernan proposed that John Stevens be appointed Vice President for Taxes for SBCS. The Chairman asked the Board to approve Mr. Kiernan's proposal.

WHEREUPON, on motion duly made and seconded, it was unanimously

RESOLVED, that effective August 1, 1995, John Stevens is hereby appointed Vice President of Taxes for SBCS.

There being no further business to come before the Board, the meeting was adjourned.

A True Record:

Attest: Faith Momen

Secretary

Approved: [Signature]

Chairman of the Board

ACTION OF THE
EXECUTIVE COMMITTEE OF
SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC.

THE UNDERSIGNED, BEING THE DIRECTORS of Southwestern Bell Communications Services, Inc., (the "Company"), a Delaware corporation, do hereby consent to and deem it advisable to adopt and hereby do adopt the following resolution pursuant to Section 141 (f) and 141 (c) of the Delaware General Corporation Law and the Bylaws of the Company:

RESOLVED, that the Company's Schedule of Authorizations, Section 5.01 Bills and Vouchers be and hereby is amended as follows:

The CFO may authorize payment of a bill or voucher, or to make periodic payments of expenses and capital expenditures up to \$250,000.

The President and CEO may authorize payment of a bill or voucher, or to make periodic payments of expenses and capital expenditures up to \$1,000,000.

The Chairman of the Board may authorize payment of a bill or voucher, or to make periodic payments of expenses and capital expenditures that equal or exceed \$1,000,000.

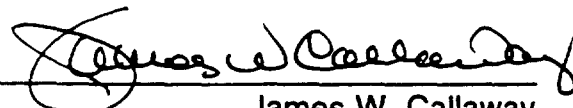
Done as of the 20th day of Sept., 1996.



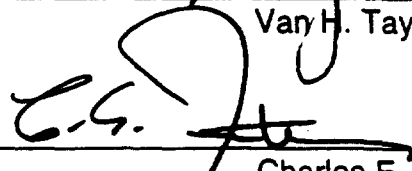
J. Cliff Eason



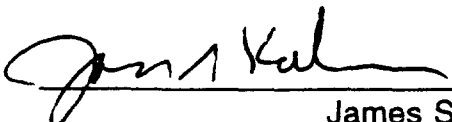
Vary H. Taylor




James W. Callaway



Charles E. Foster



James S. Kahan



Stan Sigman



Timothy P. Leahy

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ATTACHMENT C

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1.0 GENERAL

This practice provides guidelines for the following:

- a) determining whether an expenditure should be capitalized or expensed;
- b) how to capitalize an asset;
- c) how to handle transfers and retirements of fixed assets.

2.0 CAPITAL VS. EXPENSE

2.1 All assets that meet the following criteria must be capitalized:

- Original, individual cost of \$1,500 or more
- Useful economic life of three years or longer
- Multiple components of a SINGLE asset that may individually be under \$1500 but have an aggregate cost over \$1500

Exceptions:

- Modular furniture is expensed
- Software (except initial operating software) is expensed

2.2 Determining the amount to be capitalized:

To determine whether the cost of the asset meets the \$1500 threshold, the following cost components should be added together:

- Base cost
- Sales tax
- Delivery or freight charges
- Labor costs
- Installation charges
- Warranty fees

If part of the purchase includes non-capitalized items, you will need to proportionately divide the charges listed above between expense and capital.

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2.3 Subsequent Expenditures Relating to a Capitalized Asset

Once an asset has been capitalized, any subsequent repair charges, maintenance, license fee renewals, or other costs not initially incurred should be expensed.

3.0 CAPITALIZATION OF ASSETS

Assets meeting the criteria for capitalization are tracked by the Fixed Asset System. All assets entered into the system are assigned asset and inventory tag numbers by the Fixed Asset System. A delegated person within the Accounting Department is responsible for making sure all assets are accounted for in the Fixed Asset System, and are properly "tagged." Each month-end, the balance sheet fixed asset accounts are reconciled to the Fixed Asset register produced by the Fixed Asset System. Discrepancies are resolved immediately. Periodically, an inventory, either by physical inspection or questionnaire, is performed to make sure all assets can be identified and are properly categorized within the Fixed Asset System.

4.0 SALES, TRANSFERS AND RETIREMENTS OF FIXED ASSETS

4.1 Sales or Transfers

- a) Transfers to an SBC subsidiary from SBLD should be treated as a sale and appropriate consideration received in return.
- b) For assets that are being transferred to SBLD from an affiliate, the asset's original cost and accumulated depreciation must be obtained. This information should be provided with form SBLD100 which pays for the asset. See Accounting Practice 2 for an example of SBLD100.
- c) If an asset has been fully depreciated and/or determined to no longer be useful to an organization, the organization may elect to sell the asset at fair market value to another SBC subsidiary or an outside party. Such arrangements should be reviewed for tax and other financial implications **prior to** sale by:

Karol Sweitzer
CFO
1651 N. Collins, Suite 220
Richardson, Texas 75080

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4.2 Retirements

Capital assets will be automatically retired at the end of their useful lives. It will NOT be necessary fill out any forms to retire an asset. The Accounting Department will notify you when an asset has been fully depreciated. At that time, a determination will be made as to whether the asset will remain in service or be physically removed from service.

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1.0 GENERAL

This practice provides guidelines for purchasing capital and non-capital items for Southwestern Bell Long Distance (SBLD).

2.0 CAPITAL EXPENDITURES

The purchase of SBLD **assets** must be done in accordance with the following procedures:

2.1 Purchase Order Procedures

All purchases meeting the capital asset criteria defined in Accounting Practice 1, "Fixed Asset Guidelines", must begin with either a Capital Project Request Approval (Form SBLD100), purchase order, or both. A Capital Project Request Approval would be required for any long-term project, or those requiring the ordering of goods from more than one vendor. For an example of forms SBLD100 and SBLD101, see Exhibits I and II, respectively. For instructions on completing form SBLD100, see Exhibit I. Approved Capital Project Request Approval forms are distributed as follows:

- 1) ORIGINAL: Accounting Department
- 2) COPY1: Originator
- 3) COPY2: Contact Person, if different than originator

Once the Capital Expenditure Request Approval has been approved, the purchase order(s) can be completed providing the information requested by form SBLD101. Purchase orders should be approved based on the approval guidelines included in the Schedule of Authorizations, Section 5 - "Asset and Procurement Matters." Once the purchase order is approved, it should be forwarded to the Accounts Payable Coordinator for assignment of a purchase order control number. Three copies of the purchase order are made and distributed as follows:

- 1) ORIGINAL: Retained by the department responsible for receiving the ordered merchandise
- 2) COPY 1: To vendor for completion of order
- 3) COPY 2: To Accounting Department, Open Purchase Order File
- 4) COPY 3: Department file copy

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2.2 Receiving Procedures

The person responsible for receiving the goods should compare the packing slip to the actual goods received. Any discrepancies should be noted on the packing slip. If a material discrepancy is noted, the originator should be contacted for instructions as to how to handle the discrepancy. Once discrepancies are resolved, the packing slip should be signed as correct and forwarded to the **Accounting Department, Attention: Accounts Payable.**

2.3 Processing Procedures (*Accounting Department*)

The signed packing slip and the receiving copy of the purchase order should be matched to the accounting copy from the "Open Purchase Order" file and then filed in the "Received But Not Invoiced" file. Any documents in this file must be accrued each month end.

When the invoice is received, the packing slip and the purchase order copies will be compared to the invoice and processed for payment by completion of an Authorization of Vendor Payments form (Form SBC4472). See Exhibit III. Any discrepancies are noted on the purchase order, **and if material (i.e. in excess of the greater of \$1,000 or 10% of the total amount) the purchase orders, invoice and packing slip are forwarded to the appropriate person for approval or instructions as to how to resolve the discrepancies.** Once all material discrepancies are resolved, the invoice, purchase order, packing slip, and Capital Project Authorization, if applicable, are attached to the Authorization of Vendor Payments form and the payment approval process is started. After the necessary approvals for the disbursement of cash are obtained, the Accounting Department will file a copy of the completed payment voucher in the "Paid Vouchers" file and forward the original documents to SBC Corporate Accounting for payment.

Partial shipment of goods should be noted on the purchase order returning the purchase order to the "Open Purchase Order" file. A copy of the invoice should be attached to the purchase order before returning to the open purchase order file.

3.0 NON-CAPITAL EXPENDITURES

Expenditures not meeting the capital asset criteria described in Accounting Practice 1, "Fixed Asset Guidelines" should also follow the purchase order procedure. **NOTE:** Capital Project Request Approval (Form SBLD100) is **NOT** required.

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All expenditures should come through the purchase order process except those involving contractual commitments for services to be performed, for example, software development, market research projects, etc. For these expenses, it is expected that a contract will be negotiated and approved by the CEO, with a formal review by the CFO, and the contract will serve as the expenditure support.

For any expenditure greater than \$10,000, at least two bids should be obtained. The bids should be submitted to Accounting along with the purchase order. Generally, the lowest bid should be selected. If a bid other than the lowest is selected, an explanation detailing the reason why should be attached.

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INSTRUCTIONS FOR COMPLETING THE CAPITAL PROJECT REQUEST APPROVAL

Item(s) Requested: This should be a description of the capital project with a complete description of the item(s) to be purchased. It is advisable to attach a copy of the price quote(s), if a written quote was obtained. If a project was not budgeted, indicate which budgeted project it replaces.

Suggested Vendor(s): If you have pre-selected a vendor(s), please indicate. For any vendor not previously used, please obtain their Tax ID, address, and phone number.

Cost: The cost should include all installation charges, shipping charges, and applicable taxes. For capital expenditures in excess of \$10,000, the originator must submit written bids from two independent vendors. An explanation regarding the selection of the applicable bid must be provided. If bids were not obtained, a written explanation must be provided documenting the reasons for not supplying the necessary bids. If applicable, costs should be segregated by fiscal year.

NOTE: If the actual expenditure exceeds the amount requested by more than the higher of \$1,000 or 10% of the approved amount, the higher amount must be approved by all parties whose signatures were originally required. It is advisable to be certain that the amount being requested is sufficient to cover the cost incurred.

Reason for Request: Include a brief statement of the need for the purchase.

Responsibility Code: This should be the RC where the payment will be charged. The RC charged should be that of the organization using the asset. See Exhibit IV for a listing of all valid SBLD responsibility codes.

Project Code: See Exhibit V for a listing of all valid SBLD project codes.

Contact Person: Party in the originating organization to contact with questions regarding the request.

Originator: The originator must be the person whose capital budget is to be charged for the expenditure.

Concurrence Signatures: Route to appropriate organization.

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**SOUTHWESTERN BELL LONG DISTANCE
CAPITAL PROJECT REQUEST APPROVAL**Item(s) Requested _____

Suggested Vendor(s) _____

If vendor has not previously been used include:

Tax ID _____

Address _____

Phone _____

Total Cost _____

BID ☐ NO BID ☐Reason for Request _____

Responsibility Code _____

Project Code _____

Contact Person

Name _____

Phone _____

Originator

Name _____

Phone _____

Title _____

Date _____

Concurrence by Chief Financial Officer

Signature _____

Date _____

Concurrence by Chief Executive Officer

Signature _____

Date _____

Concurrence by President & CEO - SWB Communications (ONLY if >\$500,000)

Signature _____

Date _____

For Accounting Department Use Only

Vendor previously approved?

Yes ☐No ☐

Options for alternative vendor?

☐☐

If yes, centralized?

☐☐

If yes, which Sub?

Contract _____

Control # _____

Project Code

CBP DATE RECEIVED:

[illegible]

Date _____

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RESPONSIBILITY CODES

<u>Responsibility Code</u>	<u>Group</u>
C00000000	Executive
C41100000	General & Administrative
C41110000	Marketing
C41120000	Accounting & Regulatory
C41130000	Operations
C4113A000	Operations-Engineering
C4113B000	Operations-Planning
C4113C000	Operations-Network Operations

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PROJECT CODES

Project		
<u>Code</u>	<u>Title</u>	<u>Explanation</u>
SINF01	Infrastructure, Switching Equipment	Used to track expenses associated w/
SINF02	Infrastructure, Transport Equipment	the construction, maintenance, and
SINF03	Infrastructure, SS7 Signaling Network	operation of the LD telecommunications
SINF04	Infrastructure, Operator Services	infrastructure.
SINF05	Infrastructure, AIN	"
SINF06	Infrastructure, Building space	"
SINF07	Infrastructure, NMSB	"
SINF08	Infrastructure, CNOC	"
SINF09	Infrastructure, OSS Development	"
SINF10	Infrastructure, Telegence	"
SINF11	Infrastructure, 800 Service Support	"
SINF13	Infrastructure, AIN/Service Creation	"
SINF14	Infrastructure, Training	"
SINF15	Infrastructure, Bill DSS	"
SINF16	Infrastructure, LEC Billing Set-up	"
SINF17	Infrastructure, Fraud Management	"
SINF18	Infrastructure, SA Call Center Repair Grp	"
SINF19	Infrastructure, Data Communications	"

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Purchase Order Procedures

(For purchasing activity supported by affiliates)

The purpose of these procedures is to outline the steps required to prepare purchase orders, with special attention being focused on purchasing activity supported by affiliate personnel.

1. The affiliate should complete SBLD's purchase order form, SBLD 101 (refer to Accounting Practice 2, Exhibit II), supplying all data requested by the form.
2. The completed purchase order should be submitted to the appropriate SBLD person for review and approval. Refer to the Schedule of Authorizations for approval authority.
3. The approved purchase order should be given to the Accounts Payable Coordinator so that the purchase order can be logged into the purchase order control log and a control number can be assigned to the purchase order.
4. The original purchase order is kept by the Accounts Payable Coordinator with copies being distributed to appropriate personnel. The person within the affiliate who prepared the purchase order should be sent a copy of the approved purchase order for their records. For control reasons, it is SBLD's preference that the affiliate segregate the purchase order preparation function from the receiving function; i.e., the person who prepared the purchase order should not be the person responsible for the receiving the equipment.
5. The equipment or goods should be ordered only after approval is received; i.e., a signed purchase order is received. Due to various control issues, it is recommended that SBLD not delegate authority to an affiliate to place orders with vendors.
6. Upon receipt of the equipment by the affiliate, the packing list received with the equipment should be compared to the equipment received and any discrepancy discovered noted on the packing list. The packing list is then signed, dated and forwarded to SBLD, Accounts Payable.
7. The vendor, under all circumstances, should issue and mail bills directly to SBLD.
8. The invoice is received by the Accounts Payable Coordinator and compared to the purchase order and receiving report for accuracy. If no material discrepancies are noted, the invoice can be submitted for payment. Material discrepancies are noted on the purchase order and routed with the invoice to the appropriate SBLD personnel for review and approval.
9. Once all discrepancies are resolved, the invoice and purchase order are returned to the Accounts Payable Coordinator for payment processing.

Note: Unusually large projects, or those projects involving the ordering of goods from various vendors require a slightly different procedure. Normally, projects of this nature usually fall under the category of a capital expenditure. A capital expenditure is defined as the purchase of any individual asset costing \$1,500 or more. (For details, refer to Accounting Practice 1.) In addition to the preparation of purchase orders, the preparation of an estimate or Capital Project Request Approval form (SBLD100, refer to Accounting Practice 2, Exhibit I) is required. A capital project request would provide an overview of the entire scope of the project. Vendor names, vendor bid information, description of materials needed, reason for request, volumes, and total costs should be included. Estimate control numbers should be referenced on purchase orders issued in connection with the capital project request.

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ATTACHMENT F

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PACIFIC  TELESIS®**About Us****● fast facts**

For facts about the corporation-- such as the number of shareowners or employees--or facts about our network including access lines and minutes of use, here is your link.

● corporate contact directory

Here's a listing of the most frequently requested contact information across the company. Look here for administrative addresses, phone numbers and directions for how to locate employees.

● management perspectives

Our management team's expert perspectives can be found here in the latest speeches and interviews from around the state, at national events and industry forums.

● company profiles

Pacific Bell business units underscore our commitment to technology and innovative service offerings. Browse here for brief descriptions of the companies serving your needs.

● public policy issues

As part of the \$1 trillion communications industry in the United States, we take an active role in public-policy awareness on issues including competition and Universal Service.

● products & services

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